unless with the sanction of Government, extend beyond the unexpired portion of the period for which the original loan was sanctioned, and shall in no case be extended beyond the period of sixty years from the date of the original loan.

Form of security.

110. (*1*) Every mortgage authorized to be made under this chapter shall be by debenture in the form contained in Schedule C, or in such other form as the corporation, with the consent of Government, shall from time to time determine.

(*2*) Every debenture issued under this Act shall be transferable by endorsement, and such transfers may be in the form of Schedule D, or to the like effect.

(*3*) The right to payment of the moneys secured by any of such debentures and to sue in respect thereof shall vest in the holder thereof for the time being, without any preference by reason of some of such debentures being prior in date to others.

CHAPTER VII.

Revenue and Expenditure.

The Municipal Fund.

Constitution of the municipal fund.

111. All moneys received by or on behalf of the corporation under the provisions of this Act or of any other enactment at the time in force, or under any contract,

all proceeds of the disposal of property by, or on behalf of, the corporation,

all rents accruing from any property of the corporation,

all moneys raised by any tax, levied for the purposes of this Act,

all fees and fines payable and levied under this Act or under any rule, regulation or bye-law in force thereunder,

all fees for licenses for public conveyances granted by the Police Commissioner under Bombay Act VI of 1863 [a] (*an Act for the regulation of public conveyances in the town, suburbs and harbour of Bombay*),

all fines levied by any Magistrate in respect of any offence against the provisions of Act, or of any regulation or bye-law made under this Act,

all moneys received by or on behalf of the corporation from Government or private individuals by way of grant or gift or deposit, and

---

[a] Printed in Vo II of this Code, p. 52.

all interest and profits arising from any investment of, or from any transaction in connection with, any money belonging to the corporation,

shall be credited to a fund, which shall be called "the municipal fund," and which shall be held by the corporation in trust for the purposes of this Act, subject to the provisions herein contained.

Commissioner to receive payments on account of the municipal fund and to lodge them in a bank.

112. All moneys payable to the credit of the municipal fund shall be received by the Commissioner and shall be forthwith paid [a]into the Bank of Bombay[a] to the credit of an account, which shall be styled "the account of the municipal fund of the City of Bombay."

How the fund shall be drawn against.

113. (*1*) Subject to the provisions of section 520, no payment shall be made by the bank aforesaid out of the municipal fund, except upon a cheque signed by the Commissioner and by one member of the standing committee, who shall attend at the chief municipal office for this purpose at least twice a week, and by the municipal secretary, or, in the event of the illness or occasional absence of the Commissioner from the city, by two members of the standing committee and by the said secretary.

(*2*) Payment of any sum due by the corporation in excess of one hundred rupees shall be made by means of a cheque signed as aforesaid and not in any other way.

(*3*) Payment of any sum due by the corporation, not exceeding one hundred rupees in amount, may be made by the Commissioner in cash, cheques for sums not in excess of one thousand rupees each, signed as aforesaid, being drawn from time to time to cover such payments.

Deposit of portion of the municipal fund may be made with bank or agency out of Bombay, when convenient.

114. Notwithstanding anything contained in the two last preceding sections, the Commissioner may, with the approval of the standing committee, from time to time, remit any portion of the municipal fund to a bank or other agency at any place beyond the city at which it may be desirable for the corporation to have funds in deposit, and any money payable to the credit of the municipal fund or chargeable thereagainst, which can, in the opinion of the Commissioner, be most conveniently paid into or out of the account of the corporation at any such bank or agency, may be so paid.

Only sums covered by a budget-grant to be expended from the municipal fund.

115. (*1*) Except as hereinafter provided, no payment of any sum shall be made by the Commissioner out of the municipal fund, unless the expenditure of the same is covered by a current budget-grant, and a sufficient balance of such budget-grant is still available, notwithstanding any reduction or transfer thereof which may have been made under section 133 or section 134:

[a-a] These words were substituted for the original words by Bom. Act I of 1894, s. 4 (*2*).

Exceptions.

(*2*) Provided that the following items shall be excepted from this prohibition, namely:—

(*a*) sums of which the expenditure has been sanctioned by the standing committee under section 132;

(*b*) temporary payments under section 119 for works urgently required in the public service;

(*c*) refunds of taxes and other moneys which the Commissioner is by or under this Act authorized to make;

(*d*) repayments of moneys belonging to contractors or other persons held in deposit and of moneys collected or credited to the municipal fund by mistake;

(*e*) sums which the Commissioner is by sections 222, sub-section (*3*), 309, sub-section (*2*), 315, sub-section (*2*), 334, sub-section (*2*), 395, sub-section (2), 426, sub-section (2), 427, sub-section (*4*), 501 and 515, clause (*b*), required or empowered to pay by way of compensation;

(*f*) sums payable in any of the circumstances mentioned in clause (*f*) of section 118;

(*g*) expenses incurred by the Commissioner in the exercise of the powers conferred upon him by section 434;

(*h*) costs incurred by the Commissioner under clause (*c*) of section 64.

(*3*) In sub-section (*1*), "budget-grant" means a budget-grant within the meaning of that term as defined in section 130, and includes any sum by which such budget-grant may at any time be increased by a transfer under clause (*b*) of section 133.

Drafts on the municipal fund to be checked by members of the standing committee and municipal secretary.

116. The members of the standing committee and the municipal secretary shall not sign any cheque under section 113 without first satisfying themselves that the sum for which such cheque is drawn is either covered by a budget-grant as aforesaid or is an item of one of the excepted descriptions specified in sub-section (*2*) of the last preceding section.

Procedure when money not covered by a budget-grant is expended under clause (*e*), (*f*), (*g*) or (*h*) of section 115.

117. Whenever any sum is expended by the Commissioner under clause (*e*), (*f*), (*g*) or (*h*) of section 115, he shall forthwith communicate the circumstances to the standing committee, who shall take such action under section 133 or recommend the corporation to take, under section 131, such action as shall, in the circumstances, appear possible and expedient for covering the amount of the additional expenditure.

Purposes to which the municipal

118. The moneys from time to time credited to the municipal fund shall be applied in payment of all sums, charges and costs necessary for the pur-

poses specified in sections 61, 62 and 63, or for otherwise carrying this Act into effect, or of which the payment shall be duly directed or sanctioned under any of the provisions of this Act, inclusive of— fund is to be applied.

(*a*) the expenses of every ward-election and of every justices' election held under this Act;

(*b*) the fees payable under section 50 to members of the standing committee;

(*c*) the salaries and other allowances of the Commissioner and of any Deputy Commissioner appointed under this Act;

(*d*) the salaries and other allowances of all municipal officers and servants and all pensions, gratuities and compassionate allowances payable under the provisions of this Act or of any schedule or regulation framed under this Act and at the time in force;

(*e*) all expenses and costs incurred by the Commissioner in the exercise of any power or the discharge of any duty conferred or imposed upon him by this Act, including moneys which he is required or empowered to pay by way of compensation;

(*f*) every sum payable:

(*i*) under sub-section (*1*) of section 520 to Government;

(*ii*) under a decree or order of a Civil or Criminal Court passed against the corporation or against the Commissioner or a Deputy Commissioner *ex officio*;

(*iii*) under a compromise of any suit or other legal proceeding or claim effected under section 517.

119. (*1*) On the written requisition of a Secretary to Government, the Commissioner may at any time undertake the execution of any work certified by such Secretary to be urgently required in the public service, and for this purpose may temporarily make payments from the municipal fund, so far as the same can be made without unduly interfering with the regular working of the municipal administration. The cost of all work so executed and of the establishment engaged in executing the same shall be paid by Government and credited to the municipal fund. Temporary payments from the municipal fund for works urgently required for public service.

(*2*) On receipt of any requisition under sub-section (*1*), the Commissioner shall forthwith forward a copy thereof to the corporation, together with a report of the steps taken by him in pursuance of the same.

The School-fund.

120. (*1*) The portion of the municipal fund to be devoted to the purposes The school-

fund of what to consist.

specified in clause (*q*) of section 61 shall be credited under a separate heading in the municipal accounts and shall be called "the school-fund."

(*2*) There shall be carried every official year to the school-fund—

(*a*) every grant made by Government for the maintenance or aid of primary education;

(*b*) the fees levied in schools wholly maintained at the cost of the school-fund;

(*c*) such contribution from the general revenue of the corporation as the corporation shall from time to time determine, the same being not less, in each official year, than a sum of such amount as added to the fees levied as aforesaid in the same year would be equal to double the Government grant for that year;

(*d*) the unexpended balance, if any, of the school-fund of the last preceding official year;

(*e*) all sums made over to the corporation, by way of endowment or otherwise, for the promotion of primary education.

Other Special Funds.

Other special funds may be created with the approval of the corporation.

121. With the approval of the corporation, any other portion of the municipal fund may also, from time to time, be credited to a separate heading in the municipal accounts: Provided that there shall be credited and debited to such special heading such sums only as shall expressly relate to the object for which a special fund is so created.

Disposal of Balances.

Investment of surplus moneys.

[a] **122.** (*1*) Surplus moneys at the credit of the municipal fund which cannot immediately or at an early date be applied to the purposes of this Act or of any loan raised thereunder may be, from time to time, deposited at interest in the Bank of Bombay or be invested in public securities.

(*2*) All such surplus moneys which it is necessary to keep readily available for application to such purposes, and all such surplus moneys which cannot, in the opinion of the Municipal Commissioner, concurred in by the standing committee, be favourably deposited or invested as aforesaid, may be deposited at interest at any bank or banks in the City of Bombay which the standing committee may, subject to the control of the corporation, from time to time, select for the purpose.

(*3*) All such deposits and investments shall be made by the Commissioner on behalf of the corporation, with the sanction of the standing committee, and, with the like sanction, the Commissioner may at any time withdraw any deposit so made or dispose of any securities and re-deposit or re-invest the

[a] This section was substituted for the original s. 122 by Bom. Act I of 1894, s. 5.

money so withdrawn, or the proceeds of the disposal of such securities; but no order for making any deposit or investment, withdrawal or disposal under this section shall have any validity unless the same be in writing, signed by the Commissioner and one member of the standing committee and the municipal secretary.

(*4*) The loss, if any, arising from any such deposit or investment shall be debited to the Municipal Fund.

Accounts.

Accounts to be kept in forms prescribed by standing committee.

123. Accounts of the receipts and expenditure of the corporation shall be kept in such manner and in such forms as the standing committee shall from time to time prescribe.

Preparation of annual administration report and statement of accounts.

124. (*1*) The Commissioner shall, as soon as may be after each first day of April, have prepared a detailed report of the municipal administration of the city during the previous official year, together with a statement showing the amounts of the receipts and disbursements respectively credited and debited to the municipal fund during the said year and the balance at the credit of the fund at the close of the said year.

(*2*) The Commissioner shall incorporate with his said report and statement—

(*a*) a report for the same period from each head of a department subordinate to him;

(*b*) the account of balances due on loans then last published under section 105;

and shall cause the same to be printed.

(*3*) After examination and review of the said printed report and statement by the standing committee, there shall be added to the compilation printed copies of such of the appendices attached to the reports of the several heads of departments, if any, as the standing committee direct and a printed copy of the standing committee's review; and a copy of the complete compilation shall be forwarded to the usual or last known local place of abode of each councillor at least eight days previous to the ordinary meeting of the corporation in the next following month of October, and copies thereof shall be delivered to any person requiring the same, on payment of such reasonable fee for each copy as the Commissioner, with the approval of the standing committee, shall determine.

Annual Budget-Estimate.

Estimates of expenditure and income to be prepared annually by the Commissioner.

125. The Commissioner shall, on or before each tenth day of November, have prepared and lay before the standing committee, in such form as the said committee shall, from time to time, approve,—

(*a*) an estimate of the expenditure which must or should, in his opinion be incurred by the corporation in the next ensuing official year;

(*b*) an estimate of all balances, if any, which will be available for re-appropriation or expenditure at the commencement of the next ensuing official year;

(*c*) a statement of proposals as to the taxation which it will, in his opinion, be necessary or expedient to impose under the provisions of this Act in the said year.

Budget-estimate to be prepared by the standing committee.

126. (*1*) The standing committee shall, on or as soon as may be after the tenth day of November, consider the estimates and proposals of the Commissioner and, after having obtained from the Commissioner such further detailed information, if any, as they shall think fit to require, and having regard to all the requirements of this Act, shall frame therefrom, subject to such modifications and additions therein or thereto as they shall think fit, a budget-estimate of the income and expenditure of the corporation for the next official year.

(*2*) In such budget-estimate, the standing committee shall—

(*a*) propose, with reference to the provisions of Chapter VIII, the levy of municipal taxes at such rates and, in the case of town-duties, on such articles, as they shall think fit;

(*b*) provide for the payment, as they fall due, of all instalments of principal and interest for which the corporation may be liable under the provisions of Chapter V, or on account of any loan contracted after the passing of this Act, under Chapter VI;

(*c*) allow for a cash balance at the end of the said year of not less than one lakh of rupees.

(*3*) The Commissioner shall cause the budget-estimate, as finally approved by the standing committee, to be printed and shall, not later than the fifteenth day of December, forward a printed copy thereof to the usual or last known local place of abode of each councillor.

Consideration of budget-estimate by corporation.

127. At a meeting of the corporation which shall be called for some day in January, not later than the tenth, the budget-estimate prepared by the standing committee shall be laid before the corporation, and they shall proceed to consider the same.

Fixing of rates of taxes.

128. (*1*) The corporation shall, on or before the thirty-first day of January, after considering the standing committee's proposals in this behalf, determine, subject to the limitations and conditions prescribed in Chapter VIII, the rates at which municipal taxes shall be levied and the articles on which town-duties shall be levied in the next ensuing official year.

(*2*) Except under sections 134 and 196, the rates so fixed and the articles

so appointed shall not be subsequently altered for the year for which they have been fixed.

Final adoption of budget-estimate.

129. Subject to the exigency of sub-section (*1*) of the last preceding section, the corporation may refer the budget-estimate back to the standing committee for further consideration, or adopt the budget-estimate or any revised budget-estimate submitted to them, either as it stands or subject to such alteration as they deem expedient: Provided that the budget-estimate finally adopted by the corporation shall fully provide for each of the matters specified in clauses (*b*) and (*c*) of section 126.

"Budget-grant" defined.

130. Any sum entered on the expenditure side of a budget-estimate which has been adopted by the corporation shall be termed a "budget-grant."

Corporation may increase amount of budget-grants and make additional grants.

131. (*1*) On the recommendation of the standing committee, the corporation may from time to time during an official year increase the amount of any budget-grant, or make an additional budget-grant for the purpose of meeting any special or unforeseen requirement arising during the said year, but not so that the estimated cash balance at the close of the year shall be reduced below one lakh of rupees.

(*2*) Such increased or additional budget-grants shall be deemed to be included in the budget-estimate adopted by the corporation for the year in which they are made.

Rule as to unexpended budget-grants.

132. If any portion of a budget-grant remains unexpended at the close of the year in the budget-estimate for which such grant was included, and if the amount thereof has not been taken into account in the opening balance of the municipal fund entered in the budget-estimate of the next following year, the standing committee may sanction the expenditure of such unexpended portion during the next following year for the completion, according to the original intention or sanction, of the purpose or object for which the budget-grant was made, but not upon any other purpose or object.

Reduction or transfer of budget-grants.

133. (*1*) The standing committee may, if they think necessary, at any time during an official year—

(*a*) reduce the amount of a budget; or

(*b*) transfer and add the amount, or a portion of the amount, of one budget-grant to the amount of any other budget-grant in the budget-estimate:

Provided that—

(*c*) due regard be had when making any such reduction or transfer to all the requirements of this Act;

(*d*) the aggregate sum of the budget-grants contained in the budget-estimate adopted by the corporation shall not be increased, except by the corporation under section 131;

(*e*) every such reduction or transfer shall be brought to the notice of the corporation at their next meeting.

(*2*) If any such reduction or transfer is of an amount exceeding five hundred rupees, the corporation may pass with regard thereto such order as they think fit, and it shall be incumbent on the standing committee and the Commissioner to give effect to the said order.

Re-adjustment of income and expenditure to be made by the corporation during the course of the official year whenever necessary.

134. (*1*) If it shall at any time during any official year appear to the corporation, upon the representation of the standing committee, that, notwithstanding any reduction of budget-grants that may have been made by the standing committee under the last preceding section, the income of the municipal fund during the said year will not suffice to meet the expenditure sanctioned in the budget-estimate of the said year and to leave at the close of the year a cash balance of not less than one lakh of rupees, it shall be incumbent on the corporation to forthwith sanction any measure which shall be necessary for proportioning the year's income to the expenditure.

(*2*) For this purpose, the corporation may either diminish the sanctioned expenditure of the year, so far as it may be possible so to do with due regard to all the requirements of this Act, or have recourse to supplementary taxation.

Scrutiny and Audit of Accounts.

Weekly scrutiny of accounts by standing committee.

135. (*1*) The standing committee shall conduct, or cause to be conducted under their superintendence, a weekly scrutiny of the municipal accounts and publish weekly an abstract of receipts and expenditure of the week last preceding, signed by not less than two members of the said committee and by the municipal secretary.

(*2*) For this purpose, the standing committee shall have access to all the municipal accounts and to all records and correspondence relating thereto, and the Commissioner shall forthwith furnish to the standing committee any explanation concerning receipts and disbursements which they may call for.

Appointment of municipal auditors.

136. (*1*) The municipal accounts shall also be examined and audited from week to week by auditors specially appointed in this behalf for each official year by the corporation.

(*2*) The auditors so appointed may—

(*a*) by summons in writing, require the production before them of any book, deed, contract, account, voucher or other document or paper necessary for the proper conduct of their audit;

(*b*) by summons in writing, require any person having the custody or control of, or accountable for, any such book, deed, contract, account, voucher or other document or paper to appear in person before them;

(*c*) require any person so appearing before them to make and sign a declaration with respect to such book, deed, contract, account, voucher or other document or paper.

(*3*) The auditors so appointed shall receive such reasonable remuneration, not exceeding in the whole ten thousand rupees per annum, as the corporation shall from time to time determine.

Information and report to be furnished by auditors.

137. (*1*) The auditors so appointed shall forthwith report to the standing committee any material impropriety or irregularity which they may at any time observe in the expenditure or in the recovery of moneys due to the corporation or in the municipal accounts, and shall furnish to the standing committee such information as the said committee shall from time to time require concerning the progress of their audit, and shall, as soon as may be after the commencement of each official year, deliver to the standing committee a report upon the whole of the municipal accounts for the previous official year.

(*2*) The Commissioner shall cause the said report to be printed and forward a printed copy thereof, along with the printed copy of the administration report and statement of accounts which he is required by sub-section (*3*) of section 124 to forward to each councillor.

A special audit may be directed by the Governor in Council.

138. (*1*) The Governor in Council may at any time appoint an auditor for the purpose of making a special audit of the municipal accounts and of reporting thereon to Government: and [a] the costs of any such audit [b]as determined by the Governor in Council shall[b] be chargeable to the municipal fund.

(*2*) An auditor so appointed may exercise any power which an auditor appointed by the corporation may exercise.

CHAPTER VIII.

MUNICIPAL TAXATION.

Municipal Taxes defined.

Taxes to be imposed under this Act.

139. For the purposes of this Act, taxation shall be imposed as follows, namely:—

(*1*) property-taxes;

[a] "And" was substituted for the original words by Bom. Act IV of 1888, s. 4.

[b.b] These words were substituted for the original words by Bom. Act IV of 1888, s. 4.